

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Haynes Analyst: LuAnna Hass Bill Number: SB 1292
Related Bills: See Legislative History Telephone: 845-7478 Introduced Date: January 17, 2002
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agencies Report To Legislature Financial Activities For 2001/2002 Fiscal Year and Four Preceding Fiscal Years

SUMMARY

This bill would require state agencies, boards, commissions, departments, and offices to provide a report regarding financial activities to specific legislative committees for the 2001/2002 fiscal year and four preceding fiscal years.

PURPOSE OF THE BILL

The author's office has indicated that the purpose of this bill is to allow the budget committees to gain an understanding of the financial activities of state agencies by having a detailed report of the last five fiscal years.

EFFECTIVE/OPERATIVE DATE

As an urgency measure, this bill would be effective and operative upon enactment.

POSITION

Pending.

ANALYSIS

STATE LAW

Each year, every state agency reviews their expenditure plans and prepares a baseline budget to maintain existing service levels. In addition, they may prepare Budget Change Proposals (BCP's) to adjust service levels. The Department of Finance analyzes the baseline budget and BCP's, estimates revenues, and prepares a balanced expenditure plan for the Governor's approval. The Governor may require state agencies, officers, or employees to furnish whatever information is deemed necessary to prepare the budget. The Governor's Budget is submitted to the Legislature by January 10th of each year. The Governor and Legislature are required to enact a budget package by June 15th of each year. After enactment the state agencies administer, manage change, and exercise oversight of the Budget on an ongoing basis. In addition, the Joint Legislative Budget Committee is involved in the ongoing administration of the Budget and reviews various requests for changes to the Budget.

Board Position:

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<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Department Director

Date

Gerald H. Goldberg

2/22/02

THIS BILL

This bill would require state agencies, boards, commissions, departments, or offices to prepare a report of financial activities for the 2001/2002 fiscal year and each of the four preceding fiscal years and submit the report to specific legislative committees and their members. The agencies, boards, commissions, departments, or offices must include in their report:

- their organizational code as provided in the Budget Act of 2001,
- a separate report for each subdivision and a report with the combined totals for all of its subdivisions,
- the total amount of all appropriations, including any midyear adjustments, that were appropriated for each of the fiscal years requested in the report,
- the percentage increases of the total appropriations over the base amount in the annual Budget Act for the preceding year, and
- the total expenditures against the source of funds used to make the expenditures, the category of the expenditure, and the percentage increase of these amounts of expenditures for the preceding year.

IMPLEMENTATION CONSIDERATIONS

Implementation of this bill is expected to have a minor impact on the department assuming the report would be similar in nature to the various financial reports used internally & externally by the department.

OTHER STATES' INFORMATION

Since this bill only requires a report to the Legislature regarding prior financial activity of state departments, a review of other states' tax information would not be relevant.

FISCAL IMPACT

Assembling the information for the report required in this bill would have a minor impact on the department. For current year 2002/2003, the one-time cost is estimated at approximately \$60,000, which is equivalent to 1 PY in overtime dollars.

ECONOMIC IMPACT

This bill would not impact state income tax revenue.

LEGISLATIVE STAFF CONTACT

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